

**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

Hilton Hotel
168 So. Robles Avenue
Pasadena, California 91101
July 26, 2001

PANEL MEMBERS

Marsha Kwalwasser
Acting Chairperson

David Brown
Member

Aram Hodess
Member

Robert Holstein
Member

Robert Lennox
Member

Patricia Murphy
Member

Tom Rankin
Member

Executive Staff

Ada Carrillo
Acting Assistant Director

Peter G. DeMauro
General Counsel

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I. CALL TO ORDER

Ms. Kwalwasser, Acting Chairperson, called the public Panel meeting to order at 9:05 a.m.

II. ROLL CALL

Members Present

Marsha Kwalwasser, Acting Chairperson
David Brown
Aram Hodess
Robert Lennox
Tom Rankin

Members Absent

Robert Holstein
Pat Murphy

Executive Staff Present

Ada Carrillo, Acting Assistant Director
Peter DeMauro, General Counsel

III. APPROVAL OF AGENDA

Ms. Kwalwasser requested the Welfare to Work (W2W) issues be discussed before the Strategic Plan discussion. There were no objections from the Panel.

IV. APPROVAL OF MINUTES

ACTION: Mr. Rankin moved and Mr. Brown seconded the Panel approve the minutes with a correction to the votes on the B. Braun, Alberto Culver, and Entertainment Industry Development Corporation projects from 6 – 1 to 6 – 0.

Motion carried, 5 – 0.

V. EXECUTIVE SESSION

The Panel recessed to convene in an Executive Session for the purpose of discussing personnel and litigation matters, pursuant to Government Code Sections 11126(a) and 11126(q) respectively.

The Panel meeting reconvened at 10:20 a.m.

VI. REPORTS OF THE CHAIRPERSON/PANEL MEMBERS

Ms. Kwalwasser stated the Panel will form a Legislative Subcommittee to interact with members of the legislature and address issues that come before the Panel. She stated Mr. Rankin would chair the committee. Ms. Kwalwasser and Mr. Brown will serve on the committee. The term will be until the end of this current calendar year.

Mr. Lennox reported that ETP was honored at a luncheon sponsored by the Latin Business Association (LBA) on July 25. He stated Assemblymember Firebaugh presented ETP with an award in recognition of ETP's involvement with LBA by approving funding to promote workforce performance improvement to the Latino business community.

VII. REPORT OF THE EXECUTIVE DIRECTOR

Mr. DeMauro asked the Panel to consider a motion to delegate to the Executive Director, in the absence of any quorum, the authority to approve projects after consultation with either the Chair or the Vice Chair.

ACTION: Mr. Rankin moved and Mr. Brown seconded the Panel delegate to the Executive Director, in the absence of a quorum, authority to approve projects.

Motion carried, 5 – 0.

Mr. DeMauro announced that he and Ada Carrillo would report to the Panel at next month's meeting on the pilot project with Fujitsu.

VIII. REPORT OF THE GENERAL COUNSEL

Mr. DeMauro stated there is a religious holiday that conflicts with the Panel meeting scheduled for September 27. Panel members agreed to change the September 27 meeting to Wednesday, September 26.

Mr. DeMauro reported the Panel Packet is now accessible via ETP's Website.

IX. AGREEMENTS AND AMENDMENTS

GenCorp Aerojet

Ms. Kwalwasser recused herself from discussion and action on the GenCorp Aerojet proposal. The gavel was turned over to Mr. Hodess to preside.

Charles Rufo, manager of ETP's Sacramento field office, presented a One-Step Agreement for GenCorp Aerojet in the amount of \$1,197,800 to train 935 current employees in Continuous Improvement, Computer Skills, Manufacturing Skills, and Business Skills. The training in this proposal is supported by the International Association of Machinist and Aerospace Workers, Local 946. Aerojet, a wholly owned corporation of GenCorp, Inc., serves the defense and related military and civilian aircraft and spacecraft industries. Aerojet Fine Chemicals, LLC, provides products and services in research, design, synthesis, and production of complex chemical compounds, primarily for the pharmaceutical industry. Company officials report that GenCorp Aerojet, Sacramento, and Aerojet Fine Chemicals are under pressure to reduce the costs of product development production, reduce cycle time, and increase product quality. The two companies are changing and updating manufacturing and engineering processes.

Officials of GenCorp Aerojet and GenCorp Aerojet Fine Chemicals estimate training and training-related costs not covered by ETP funds to be \$389,000, and trainee wages to be paid during ETP training to be approximately \$1,041,000.

Mr. Rufo introduced Robert DePhilippis, Director of Human Resources, Marvin Young, Vice President of Engineering; and Michael Cook, Chief Steward of International Association of Machinists and Aerospace Workers Local 946. Mr. Hodess asked some questions about Company's training budget process. Mr. DePhilippis stated the Company budgets training by hours, averaging 30 hours per employee per year for an approximate budget of \$50 per hour. Mr. Hodess asked if the Company performs studies to quantify the value of training and if the Company would share their evaluation results with ETP staff. Mr. DePhilippis stated the Company looks at the critical skills of the workers and the business results, the proceeds margin and increase in profitability, and that results would be available to share with ETP staff.

ACTION: Because of a lack of a quorum, this project was referred to the Executive Director for approval.

Standard Register Company

Mr. Rufo stated that the Standard Register Company project has been withdrawn from consideration at this month's Panel meeting.

Cypress Semiconductor Corporation

Creighton Chan, manager of ETP's San Mateo field office, presented a One-Step Agreement for Cypress Semiconductor Corporation in the amount of \$707,600 to train 1,100 employees in Computer Skills, Continuous Improvement, and Business Skills. Cypress Semiconductor Corporation designs, develops, manufactures and markets a broad line of high performance digital and mixed-signal integrated circuits for data communications, telecommunications, computers and instrumentation systems. The proposed training will assist employees to effectively market and sell sophisticated and multi-function products, and to continue to design, produce, and service more complex, multi-function products that combine several products into one. The Company will defray \$2.6 million in wages paid to employees while they attend training.

Mr. Chan introduced Darryl Carson, Director of Education & Development, and Jennifer Wu, Senior Tax Analyst.

ACTION: Mr. Rankin moved and Mr. Lennox seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 – 0.

Dental Masters Laboratory d.b.a. Dura-Metrics, Inc.

Mr. Chan presented a One-Step Agreement for Dental Masters Laboratory in the amount of \$105,652 to retrain 33 employees. Dental Masters Laboratory, Inc., manufactures handcrafted dental restorations. Under this ETP training proposal, Dental Masters will train its technicians in the manufacture of the latest-generation dental restorations using new CAD-CAM processes. The new processes and products are critical to the firm, distinguishing it from out-of-state competitors who do not offer leading-edge products. Dental Masters' investment in training and training-related costs not covered by ETP funds total approximately \$150,000. The Company's actual requirement regarding the length of training for Junior Ceramic Technicians in Manufacturing Skills exceeds the ETP cap of 200 hours. It is anticipated that once sufficient performance has been achieved and verified by ETP, a second phase will be amended into the Agreement to permit an additional 78 hours of instruction.

Mr. Chan introduced Tony Sanchez, Director of Training and Education. Mr. Rankin questioned the same wage rate for all classifications. Mr. Sanchez replied that within a

classification there are different levels of skills. He stated the wage rate is based on performance. Mr. Rankin stated his concern with showing a low wage of \$10.58 per hour on the Chart for Senior Technicians when the wages being paid are actually \$16.00. Mr. Sanchez replied, at the present, the Company does not have any employees making less than \$16 per hour. Mr. Sanchez replied that \$10.58 per hour must have been a “slip up” because in reality there is no one starting at that low rate or is presently at that wage level. Mr. DeMauro stated the Chart could be amended to include the actual minimum wage rather than leave it at \$10.58 per hour. Mr. Sanchez agreed to amend the Chart, as it would reflect the reality of that category.

ACTION: Mr. Rankin moved and Mr. Lennox seconded the Panel approve the One-Step Agreement as amended.

Motion carried, 5 – 0.

Callaway Golf Company

Diana Torres, manager of ETP’s San Diego field office, presented a One-Step Agreement for Callaway Golf Company in the amount of \$200,000 to train 260 employees in Continuous Improvement, Computer Skills, and Management Skills. Callaway Golf Company designs, manufactures, and sells golf equipment. The Company will invest approximately \$1,104,100 in training related expenses for this proposed training.

Ms. Torres introduced Donna Kaptain, Senior Vice President of Human Resources, and Louise Moore, Director of Training Development.

ACTION: Mr. Brown moved and Mr. Lennox seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 – 0.

National Technical Systems Corporation

Mr. Tagami, manager of ETP’s North Hollywood field office, presented a One-Step Agreement for National Technical Systems, Inc. (NTS), in the amount of \$313,976. This project was brought to the Panel by California Training Cooperative. National Technical Systems provides engineering and evaluation services, as well as technical staffing services to the defense, aerospace, transportation, electronic, and telecommunications industries. The Company proposes to train 219 employees in Continuous Improvement, Business and Management Skills. NTS will be paying \$385,000 in wages to workers while they are in training and \$290,000 for other training-related costs.

Mr. Tagami introduced William McGinnis, President, and Diane Genuardo, Vice President and Corporate Director of Human Relations. Ms. Kwalwasser questioned the type of training to be provided and what segment of the workforce would be trained. Mr. McGinnis replied the main focus of the training would be in the testing and evaluation division. Training will consist of cross training employees in new product skills.

ACTION: Mr. Brown moved and Mr. Lennox seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

Goodwill Industries of San Joaquin Valley, Incorporated

Mr. Rufo presented a Proposed Agreement for Goodwill Industries of San Joaquin Valley, Inc., in the amount of \$314,366 to train 83 unemployed individuals in office technology, retail skills, or janitorial skills. The target population for this project includes individuals with multiple barriers to employment with learning disabilities, physical limitations and disabilities. These individuals have been historically under employed due to limited marketable work skills and/or multiple barriers that have severely limited their ability to hold a job. Office technology training will require 336 hours of training and retail skills training will require 256 hours of training. Goodwill Industries of San Joaquin Valley representatives state that the number of training hours is necessary to achieve employment stability and potential advancement opportunities for this population with multi-barriers. Goodwill Industries plans to contribute approximately \$150,000 for training related expenses. Goodwill Industries is requesting a waiver to the ETP new-hire minimum wage of \$8.66 per hour for San Joaquin, Stanislaus, Merced, Madera, Fresno, and Tulare counties, which are recognized as areas of California with a significantly higher unemployment rate exceeding the State average by more than 50 percent. Data for these counties indicate that the entry-level wage for new-hires with no experience is \$6.25 per hour. Goodwill Industries' representatives' report that a person trained in office technology may earn \$12 per hour in 18 months. After 12 months a person working in the retail industry may earn \$7.43 per hour.

Staff recommended Panel approve this Agreement and the Contractor's wage range of \$6.25 - \$7.25 per hour, and allow up to three participating employers during the retention period, and direct staff to prepare a Final Agreement that meets all ETP requirement for the General Counsel's approval.

Mr. Rufo introduced Denise Ost, Vice President of Corporate Services, and William Carmichael, Director of Career Services. Ms. Ost stated this project is strongly supported by former State Senator Patrick Johnston who recently joined their Board of Directors. Mr. Carmichael stated Goodwill Industries has worked closely with St. Mary's Interfaith Dining Hall in Stockton taking people directly from shelters. These potential trainees have multiple barriers to employment and/or disabilities. Goodwill

Industries commitment is to work with these people on the job and coach them through the first month of their jobs so they become successful workers. Mr. Brown questioned the percentage of those who start and complete the training program. Ms. Ost replied the percentage rate for those completing the program is 82 percent. She stated the retention rate following 90 days is approximately 60 percent.

Mr. Hodess commended Goodwill Industries for serving the welfare population, but stated his concern regarding ETP's position on welfare to work projects. He stated, with the reallocation of more than \$40 million from ETP funds to the Department of Social Services specifically targeting welfare to work projects, ETP has limited funds for training proposals. He stated he does not want the approval of this project to set a precedent for future proposals. He also stated that some of the training being proposed is generic training.

Mr. Rankin stated that this is a worthy project but in lieu of the substantial amount of money reallocated from the ETP fund to be targeted to the welfare to work population, the Panel needs to focus on the type of training the legislature intended and to direct ETP funding to the "high road" economy. He stated he did not want this project to set a precedent for future similar projects. Ms. Kwalwasser stated in light of the fact that the Strategic Plan has not yet been adopted, ETP is still operating under the guidelines of the current Strategic Plan and people currently applying for funding need to review the Panel's recent determinations. Mr. DeMauro indicated this is a program in a high unemployment area, and not funded as welfare work.

ACTION: Mr. Lennox moved and Mr. Hodess seconded the Panel approve the Proposed Agreement.

Motion carried, 5 – 0.

Pacific College

Ms. Torres presented a One-Step Agreement for Pacific College in the amount of \$199,500. To meet the employer demand for skilled entry-level Certified Nursing Assistants, Pacific College is requesting assistance from ETP to train 50 new-hires. Pacific College states that to bring the trainees to full productivity, participating employers will provide the new employees with job-specific on-the-job training. The employer-sponsored training is provided during and after the 90-day employment retention period. The in-kind contribution varies amount the participating employers. Pacific College will gather this information and will report on the total in-kind contribution by participating employers at the end of the Agreement. Pacific College projects that it will incur costs of approximately \$5,500 for Job Preparation and Job Search training for the new-hire trainees.

Ms. Torres introduced William L. Nelson, President, and Loriana Bocanegra, Community Relations Coordinator. Mr. Rankin questioned the employers' career ladder advancement process. He asked if there is a guarantee by employers that they

would provide follow-up training. He stated his concerned regarding ETP funding programs to train people in jobs where there is no career ladder. Mr. Nelson replied that Pacific College has had on-going discussions with employers regarding the advancement opportunities. He stated the advancement opportunities are “supply and demand.” If an employer has a good employee and the company needs that employee to receive certification or licensing, the company provides the required training. Mr. Hodess asked if there is such a high demand for trained Certified Nursing Assistants, why aren't the participating employers contributing to the training project? Mr. Nelson replied that employers do make valuable contributions by providing clinical supplies required by the trainees.

Mr. Rankin stated he would like to see more commitment on the part of participating employers to continue training in order to provide employees the opportunity for career advancement.

ACTION: Mr. Brown moved and Mr. Rankin seconded the Panel approve the One-Step Agreement.

Motion carried, 5 – 0.

SYSCO Food Services of Sacramento

Mr. Rufo presented a One-Step Agreement for SYSCO Food Services of Sacramento in the amount of \$413,700. SYSCO Food Services of Sacramento is a wholly owned subsidiary of SYSCO Corporation. SYSCO Corporation operates 105 distribution facilities providing food products and services to restaurants and food service operations. SYSCO is constructing a new distribution center in the Sacramento area. The new facility will create 400 new jobs in Sutter County, an area of chronically high unemployment, exceeding the State average unemployment rate by more than 50 percent. SYSCO Food Services of Sacramento requested a waiver of the ETP minimum wage of \$10.58 per hour to \$9.06 per hour. Company officials report that the food distribution industry is changing, and competitive pressures and customer demands require a new way for the Company to do business. SYSCO Food Services proposes a training program for 280 frontline workers that includes instruction in Business Skills, Computer Skills, Continuous Improvement, and Manufacturing Skills.

Mr. Rufo introduced Delmer Schnuelle, Senior Vice President and Chief Financial Officer. Mr. Schnuelle stated each of the facilities located in California are independently operated. He added all of the facilities are union represented except the new facility being constructed in the Sacramento area. He anticipates the new Sacramento facility will be union organized shortly after the workers are on the job.

ACTION: Mr. Lennox moved and Mr. Hodess seconded the Panel approve the One-Step Agreement as proposed.

Motion carried, 5 – 0.

Hilmar Cheese Company

Mr. Rufo stated that Hilmar Cheese Company project has been withdrawn from consideration at this month's Panel meeting.

Genesis Technology Partners

Mr. DeMauro presented a One-Step Agreement for Genesis Technology Partners in the amount of \$91,400. He stated that there were no comments received from Panel members regarding this project. He stated authorization had been delegated to him to approve projects previously sent to the Panel for review for less than \$100,000 if there were no objections from the Panel.

ACTION: Mr. Lennox moved and Mr. Brown seconded to approve the One-Step Agreement.

Motion carried, 5 - 0.

X. PUBLIC COMMENT

Steve Duscha, representing Lockheed Martin IMS and UAW/LETG. Mr. Duscha stated ETP has had a Welfare to Work training category since the Welfare Reform in 1997. The welfare category is not so different from the basic ETP program. It is incumbent worker training to give people the skills to remain employed. It is a program that provides the working poor with skills needed for job retention. He stated there are other funding sources to help this population get a job, and programs that pay for childcare, transportation, and other services. He stated there are no other programs that provide the kind of customized employer/employment based support that ETP provides. He said the underlying issue before the Panel is not welfare to work but wages, specifically the ETP standard for wages. He questioned that standard and the circumstances under which the standard should be varied. He stated that setting a minimum wage does not change the wage a worker receives. Setting a wage standard simply sorts out those subsidized for training and those who will not be subsidized. He stated if the wages are low and the working conditions are poor, the benefits are non-existent, and the chances for advancement are nil, then ETP should not invest funds. If the wages are low and there are chances for advancement and possibilities of making more money, then ETP should consider funding incumbent worker training in welfare to work projects, high unemployment area projects, and career ladder proposals. ETP should take a stand for high wages and generally limit the funds to companies that pay those wages. ETP should leave itself the flexibility to look at individual situations and fund some projects with lower wages, including projects for the working poor that receive welfare benefits. He stated ETP does need to set some standards for those projects. He suggested: 1) Does the contractor/ applicant for funds show how training will improve the income of trainees; 2) Does the applicant propose an evaluation plan that will provide data to show whether the income goals

were met. He stated ETP doesn't have an obligation to fund a project just because a similar project was funded previously.

Mr. Brown stated it is very important to consider those people who are going to be removed from the welfare rolls. He stated it is important to consider that even though the program appears expensive at the onset, in reality it takes 70 – 80 percent of the participant workers off the welfare rolls and into employment where they become taxpayers instead of tax users.

Sally Hazzard, Director of California Operations for Lockheed Martin IMS Workforce Services Division, stated that the money from CalWorks goes to individuals for childcare, food stamps, medical, transportation, family reunification, and to assist individuals get jobs. ETP provides a totally different service, a service that is not included in the CalWorks litany of services. ETP funding provides job retention programs.

Jimmie Slack, Lockheed Martin IMS, spoke on a few success stories of workers who were prior trainees considered working poor.

Terry Edwards, Oxman College, San Francisco, stated welfare to work is a critical, integral part of the total Workforce Investment Act and CalWorks programs. ETP funding allows for one-on-one instruction, accelerated curricula, on-site training, coaching, and mentoring, which are not provided in other programs. The welfare population requires a tremendous amount of personalized attention to succeed. Most welfare participants are failure and problem prone, and are not used to success. He stated the ETP program works and it gets results. He would appreciate the Panel's consideration of continuing the program in its current format.

Rosa Wilkins-Langie, Career Services Manager, City of Westminster, stated the City of Westminster is a community of small businesses with a very diverse population of Latinos, Caucasian, and Vietnamese. She stated the City of Westminster suffers economic distress due to high population density, unemployment, crime, poverty, and a high concentration of welfare recipients. She stated multiple barriers, such as language, high drop out rate and educational levels, are other factors that effect employment. The ETP funding has allowed employers to provide customized training to a hard to serve population.

Hilda Parnam, Goodwill Industries, spoke on the successful partnership among ETP, City of Westminster, and Goodwill Industries. She stated the goals of keeping people working would not be able to be met without the ETP program.

Stella Santiesteban, Trainee, City of Westminster, stated how helpful the training program has been for her. She stated it helped her to retain employment and stabilize her life.

Carlos Lopez, Center of Employment Training (CET), stated he supports the prior welfare to work project concepts. He stated the ETP is one of the few programs in California that focuses directly on the private sector. He asked the Panel to consider each project on a case-by-case basis that meet the technical skills and the ETP wage criteria.

XI. WELFARE TO WORK

Ms. Carrillo reported that due to the Welfare Reform Initiative in 1997, ETP became involved in welfare to work by funding training for newly employed workers who were either current or former welfare recipients. The Panel approved regulations in implementing its welfare to work category that provided flexibility to the regular program criteria intending to help meet the needs of this hard-to-serve population. Since the Welfare to Work program category was initiated, a majority of the training delivered has been Structured On-Site Training (SOST) with one-on-one coaching. She stated Panel members questioned the appropriateness of funding one-on-one coaching at the current rate of \$80 an hour and had recently suspended the funding for Welfare to Work projects. The Budget Act for fiscal year 2001-02 includes the transfer of \$61.7 million for the Employment Training Fund to Department of Social Services (DSS) for CalWORKS. In addition to the reallocation of ETP funds, there is more than \$1 billion from other funding sources available for training and employment services for welfare recipients. Ms. Carrillo presented options for the Panel to consider: 1) continue funding Welfare to Work projects; 2) continue funding Welfare to Work projects, but only after evaluating the regulations for possible revision to address the Panel's concerns, including, but not limited to, training reimbursement rates; 3) continue funding Welfare to Work class/lab training, while eliminating SOST in Welfare to Work projects; or 4) discontinue funding welfare to work projects for this fiscal year.

Mr. Rankin stated that given what has happened in the Legislature this year, the reallocation of \$61 million of ETP funds to DSS, he recommended discontinuing the funding of Welfare to Work projects. He stated the Panel is losing its focus by funding Welfare to Work projects.

Mr. Hodess stated if ETP is to continue funding Welfare to Work projects, the Panel should set definite criteria for those projects: 1) trainees have to be incumbent workers; 2) there has to be an employer buy-in; 3) employer commitment to continued training; 4) training is to be customized; 4) oppose wage waivers. He suggested the Panel revisit the hourly rates and calculations for SOST, or should the Panel fund SOST. Mr. Hodess recommended, for this fiscal year, considering the amount of money reallocated to DSS, that the Panel not have a budget for Welfare to Work. He suggested the Panel continue discussions to develop procedures for funding Welfare to Work projects for the next fiscal year.

Panel members suggested having a dialog with DSS on CalWORKS regarding how their Welfare to Work funds are allocated.

Mr. Lennox stated he supports not funding the Welfare to Work projects this fiscal year, but would like to have a presentation from DSS and CalWORKS on their outreach programs to welfare recipients.

Ms. Kwalwasser suggested eliminating the concept of welfare to work and the Panel consider programs that deal with low wage incumbent workers, career ladders, and employer buy-in.

Mr. Rankin and Mr. Hodess had suggested not having a separate category for Welfare to Work with special waivers, etc. Mr. Rankin stated the Panel could still accept proposals that cover the same population and treat those proposals like other proposals. He restated his approval of discontinuing the funding of the Welfare to Work projects for the remainder of this fiscal year and to concentrate on revisions for future Welfare to Work projects. Mr. Rankin stated the Panel needs to have an accounting of the monies that were reallocated to DSS in order to determine if the monies are being spent where intended.

Mr. Brown stated he was concerned about proposals currently in the development process that may have Welfare to Work categories. He stated he did not feel it to be fair practice to change the rules for those proposals already in the development process.

ACTION: Mr. Rankin moved and Mr. Lennox seconded the Panel not fund welfare to work projects throughout the remainder of fiscal year 2001-02 and revisit the welfare to work provisions.

Motion carried, 5 – 0.

Mr. Brown amended the motion to allow those projects containing Welfare to Work categories that are currently in the development process be allowed to proceed and be presented at the next Panel meeting, specifically Lockheed and City of Westminster.

Amendment to the Motion failed, 4 – 1 (Ms. Kwalwasser, Mr. Rankin, Mr. Lennox, Mr. Hodess voted no, Mr. Brown voted yes).

XII. PUBLIC COMMENT

Steve Duscha, Alliance for ETP, requested the Panel schedule meetings in the north and south areas of the State to allow public input to the proposed Strategic Plan.

Ms. Kwalwasser announced there would be a Public Comment session at the August Panel meeting in Sacramento for input on the Strategic Plan. Ms. Carrillo requested written comments be provided to ETP within the next two weeks.

Jim Durbin, Foundation for Educational Achievement, stated the importance of allowing the stakeholders the opportunity of participating in the Strategic Plan process.

Sam Sanchez, Alpha – ITEC, agreed with the importance of having public input at the August Panel meeting.

XIII. CALIFORNIA WORKFORCE ASSOCIATION – WORKFORCE POLICY CONFERENCE

Mr. DeMauro presented a request from the California Workforce Association in the amount of \$10,000 for ETP to sponsor the annual Workforce Policy Conference to be held in Monterey on September 4 – 6, 2001. He stated ETP has funded this significant workforce agency conference in prior years along with the U.S. Department of Labor, EDD, and various cities. Ms. Kwalwasser asked what the sponsor fee covers. Mr. Rankin asked if the Workforce Investment Act contributes toward this Conference. Mr. Rankin asked if we contribute to the sponsorship, does the Panel participate in the conference, and is this an opportunity to market the ETP program? Mr. Brown asked who the other sponsors are and at what level they are sponsoring. Mr. DeMauro will research the questions on sponsorship, cost allocation, reasons for the costs, and respond to the Panel members as soon as possible.

ACTION: Mr. Rankin moved and Mr. Hodess seconded the Panel delegate to the Executive Director the authority to approve the request for \$10,000 to co-sponsor the Workforce Policy Conference contingent on Panel being satisfied with responses to outstanding questions.

Motion carried, 5 – 0.

XIV. STRATEGIC PLAN

Ms. Kwalwasser was concerned with the Panel setting up absolute guidelines that may be too concrete by proposing that specific percentages be targeted to certain funding categories. Ms. Carrillo stated legislation provides that ETP can only spend 10 percent of available funds for Special Employment Training. She stated 90 percent of the funds are for the economic development category, which is inclusive of the retraining for basic industries and the new hires.

Ms. Carrillo highlighted the proposed goals and objectives of the Strategic Plan. She stated ETP proposes to conduct regular forums with the Panel's marketing partners to continually review progress, and to exchange information and strategies for

coordinating services. Economic information will be updated on a regular basis, with presentations by experts to ensure the Panel has the most up to date information in making funding decisions. ETP will establish a calendar for the Panel's ongoing planning efforts, including a strategic planning offsite in Spring 2002 for Panel members to address issues and priorities for next fiscal year's updated plan.

Ms. Kwalwasser requested written comments regarding the Strategic Plan be provided to ETP within the next two weeks and announced there would be an additional public input session at the August Panel meeting in Sacramento prior to the Panel making any final decisions.

XV. ADJOURN

There being no further business and no objection, the meeting was adjourned at 4:15 p.m.